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Message Text

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ACTION ARA-06

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INFO AMEMBASSY LIMA
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 8696

LIMDIS

DEPT FOR S/P; ARA AND INR

E.O. 11652: GDS
TAGS: PINT, PFOR, PE
SUBJ: COMMENTS ON INTERNAL PERUVIAN POLITICS

1. SUMMARY: THIS CABLE SUMMARIZES THE IMPRESSIONS OF S/P STAFF MEMBER LUIGI EINAUDI ABOUT THE INTERNAL SITUATION IN PERU TODAY, DRAWING HEAVILY ON HIS LONG BACKGROUND AND PERSPECTIVE ON PERUVIAN AFFAIRS AND CONVERSATIONS HE HAD RECENTLY IN LIMA DURING THE POLICY PLANNING TEAMS CONSULTATION WITH THE GOP. HIS CONCLUSION IS ESSENTIALLY THAT THE MILITARY GOVERNMENT HAS ENTERED ITS MOST SERIOUS CRISIS SINCE 1968, THAT THE CRISIS IS LIKELY TO BE PRO-LONGED INTO THE NEW YEAR, AND THAT IT IS UNLIKELY THAT THE "PERUVIAN REVOLUTION" WILL BE ABLE TO RECOVER ITS PREVIOUS MOMENTUM, ALTHOUGH THE GOVERNMENT WILL REMAIN MILITARY-DOMINATED. END SUMMARY.

2. THE IMMEDIATE CAUSE OF PERU'S MOST SERIOUS CRISIS SINCE 1968, A CRISIS WHICH IS PROVOKED BY SEVERAL SIMULTANEIOUS PROBLEMS, IS THE PENDING RETIREMENT OF SENIOR OFFICERS (CAVERO, ARCE, ET AL), WHO HAVE ACTED AS MEDIATORS BETWEEN MILITARY INSTITUTIONS AND THE MILITARY GOVERNMENT. UNTIL
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NOW, THE RETIREMENT OF POLITICALLY-IMPORTANT GENERALS HAS BEEN

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STAGGERED, ALLOWING FOR THE RELATIVELY EASY ABSORPTION OF COMMAND CHANGES. THE COMING RETIREMENT OF A DOZEN SENIOR GENERALS FORCES A WHOLESALE SHAKEUP THAT NATURALLY CAUSES INCREASED TENSION AMONG CONTENDING FACTIONS.

3. THIS INTERNAL STRUGGLE IS AGGRAVATED BY THE DIFFICULT PERSONAL POSITIONS OF KEY MEMBERS OF THE REVOLUTIONARY INNER CIRCLE, INCLUDING PRESIDENT VELASCO, WHOSE SUCCESSOR MAY BE DETERMINED BY THE OUTCOME OF COMMAND CHANGES. MOST AFFECTED BY CURRENT DEVELOPMENTS IS GENERAL GRAHAM, CHIEF OF THE COUNCIL OF PRESIDENTIAL ADVISERS (COAP), WHO VIRUTALLY SERVED AS ACTING PRESIDENT DURING THE INCAPACTITATION OF VELASCO. GRAHAM'S POWER, FACILITATED BY THE RELATIVE WEAKNESSS OF BOTH PRIOR PRIME MINISTERS (MONTAGNE AND MERCADO), IS NOW UNDER PRESSURE FOR TWO REASONS: FIRST, GRAHAM HAS LITTLE MORE THAN A YEAR TO GO BEFORE RETIREMENT, MEANING THAT UNLESS HE ACCEDES TO THE PRESIDENCY DIRECTLY OR IS OTHERWISE CONFIRMED IN HIS PRESENT POSITION, HE MAY WELL SEE HIS AMBITIONS DISSOLVE ENTIRELY; AND SECOND, THE INCOMING PRIME MINISTER, ARMY CHIEF OF STAFF MORALES BERMUDEZ, HAS A SIGNIFICANT POWER BASE OF HIS OWN, AND IS UNLIKELY TO GIVE GRAHAM AS MUCH SCOPE AS HE HAS BEEN ACCUSTOMED TO HAVING IN RECENT YEARS.

4. THE INTERNAL STRUGGLE WITHING THE MILITARY LEADERSHIP THUS INVOLVES BOTH INSTITUTIONAL QUESTIONS (THE RELATIONSHIPS BETWEEN THE MILITARY INSTITTUIONS AND THE GOVERNMENT) AND PERSONAL RIVALRIES (GRAHAM VS MORALES). IT IS FURTHER COMPLICATED BY IDEOLOGICAL TENSIONS. GRAHAM, LIKE VELASCO HIMSELF, AND UNLIKE SOME OF THE OTHER MEMBERS OF THE GOVERNMENT (E.G. FERNANDEZ MALDONADO), IS NOT A LEFTIST IDEOLOGUE. BUT HE HAS A PERSONAL VISION OF A PERU RADICALLY RESTRUCTURED BY THE REVOLUTION, AND IS COMMITTED TO A POSTURE OF CONTINUING MILITANCE AND MILITARY CONTROL. MORALES, ON THE OTHER HAND, IS SOMEWHAT MORE CONSERVATIVE AND MAY BE EXPECTED TO BE INCLINED TOWARD A POSTURE OF REVOLUTIONARY CONSOLIDATION, PERHAPS EVEN OPENING THE WAY TOWARD GREATER CIVILIAN PARTICIPATION IN THE LONG TERM, BECAUSE THE MEASURES WHICH FORMED THE ORIGINAL REVOLUTIONARY CONSENSUS HAVE BEEN LARGELY IMPLEMENTED, THE LINE BETWEEN THESE TWO POSITIONS IS NOW QUITE CONFIDENTIAL

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SHARPLY DRAWN. ON THE BASIS OF PAST EXPERIENCE, HOWEVER, THIS DICHOTOMY IS MORE THEORETICAL THAN REAL, AS MOST MILITARY OFFICERS REMAIN QUITE UNIDEOLOGICAL.

5. THE TENSIONS WITHIN THE GOVERNMENT ARE FURTHER AGGRAVATED BY THE CRISIS WITH THE NAVY. WHILE THE NAVY HAS NEVER PARTICIPATED AS A CO-EQUAL MEMBER IN THE GOVERNMENT, THE ALIENATION OF MUCH OF ITS OFFICER CORPS CREATES AND REFLECTS UNEASE WITHIN

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THE ARMY. UNDER THESE CIRCUMSTANCES, ACTIVE OPPOSITION FROM THE NAVY COULD WELL SET OFF POLITCAL CHANGES IN THE GOVERNING GROUP IN THE DIRECTION OF BROADENED MILITARY REPRESENTATION.

6. INTERNAL MILITARY TENSIONS ALSO TAKE PLACE AGAINST THE BACKDROP OF THE JULY PRESS LAW, PROBABLY THE GREATEST MIS-CALCULATION OF THE GOVERNMENT SINCE ATTAINING POWER. THE PRESS LAW HAS DONE MORE THAN DAMAGE PERUVIAN INTERNATIONAL STANDING. FOR THE FIRST TIME, IT HAS CONVERTED LATENT DIS-AFFECTION OF IMPORTANT SEGMENTS OF THE MIDDLE CLASSES AND A SMALL BUT INFLUENTIAL SECTOR OF INTELLECTURALS INTO OPEN ANTAGONISM TOWARD THE GOVERNMENT. THE GRAVITY OF INTERNAL MILITARY TENSIONS HAS PREVENTED THE GOVERNENT FROM ADJUSTING TO THIS REACTION AS IT HAD SO OFTEN SUCCESSFULLY DONE IN THEPAST. INDEED OIGA'S OPPOSITION TO THE GOVERNMENT MAY HAVE REFLECTED SOME MILITARY OPINION; ITS CLOSING MAY BE THE RESULT OF A POWER STRUGGLE WITHIN THE MILITARY RATHER THAN AN ATTEMPT TO CONTROL THE PRESS AS SUCH. IF SO, DISSENSION WITHIN THE MILITARY MAY NOW FOR THE FIRST TIME BE FEEDING EXTERNAL DISSENSION, AND PRODUCING A DANGERIOUS MULTIPLIER EFFECT.

7. MANEUVERING QUIETLY BEHIND THE SCENES TO TAKE ADVANTAGE OF THIS SITUATION IS APRA, THE ONLY REMAINING SEMI-ORGANIZED MASS CIVILIAN ORGANIZATION. REPEATING A LONG-TIME "CARROT AND STICK" APPROACH THAT PROJECTS AN IMAGE OF WILLINGNESS TO COLLABORATE "WITHIN THE REVOLUTION" WHILE QUIETLY STIMULATING ACTS TO MAKE THE MILITARY FEEL INCREASINGLY ISOLATED, APRA'S LEADER HAYA DE LA TORRE HOPES TO STRENGTHEN THE HAND OF MILITARY LEADERS WHO MAY WANT TO GIVE APRA A ROLE IN THE GOVERNMENT AS A MEANS OF GAINING POPULAR SUPPORT AND CONSOLIDATING THE REVOLUTION.SUCH AN "ENTENTE", HOWEVER, SEEMS RELATIVELY UNLIKELY, AS THE GOVERNMENT IF ALREADY UNDER FIRE FOR SURRENDERING ITS PRINCIPLES ON FOREIGN CONTRACTS.
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AN ACCOMMODATION WITH THE APRA IS LIKELY TO BE SEEN AS A LAST RESORT BY CURRENT MILITARY LEADERS, AS IT WOULD GAIN LITTLE NEW MILITARY SUPPORT AND WOULD SMACK OF THE REVOLUTION SURRENDERING TO HABITS OF THE PAST. GENERAL ODIRA, AFTER ALL WAS SACKED PRECISELY FOR THIS REASON IN 1962.

8. IT IS DIFFICULT UNDER THESE CIRCUMSTANCES TO EVALUATE THE ROLE OF INTERNATIONAL TENSION. GOVERNMENT FEARS OF "COUNTER-REVOLUTIONARIES" ARE UNDOUBTEDLY GENUINE, AND FOCUS ON THE POSSI-BILITY OF AN INCIDENT

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C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 8696

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WITH CHILE AND ON THE ALWAYS LATENT FEAR OF THE CIA. FEAR OF
POSSIBLE US INTERVENTION WAS CLEARLY EVIDENT DURING THE PLANNING
CONSULTATIONS. CIVILIAN FOREIGN MINISTRY OFFICIALS INQUIRED
AT LENGTH ABOUT THE "LIMITS" TO A LATIN AMERICAN COUNTRYS
FREEDOM OF ACTION VIS-A-VIS THE UNITED STATES, SEEKING TO DEFINE
WHAT ACTS THE US WOULD CONSIDER "UNACCEPTABLE" AND IMPLICITLY
THEREFORE, SUSCEPTIBLE OF TRIGGERING A "CHILE-STYLE" INTERVENTION.
THE EXPLUSION OF THE PEACE CORPS SHOULD BE UNDERSTOOD PARTLY
AS A PRECAUTION IN THIS CONTEXT. IT SEEMS LIKELY, HOWEVER,
THAT INTERNATIONAL PRESSURES ARE ALSO BEING MANIPULATED BY
THE GOVERNING FACTION TO STRENGTHEN ITS GRIP, AND TO DEMONSTRATE
DOMESTICALLY ITS CONTINUING CONTROL OF THE SITUATION.

9. THE CUMULATIVE IMPACT OF THESE PROBLEMS ON THE GOVERNMENT
AND THE SOCIETY HAS LED TO A DRAMATIC LOSS OF CONFIDENCE OVER
THE PAST SIX MONTHS. THE CLOSED AND SECRETIVE NATURE OF MILITARY
POLITICS AND THE UNCERTAIN INTERNATIONAL ECONOMIC ENVIRONMENT
COMPOUND THE ABOVE PROBLEMS AND FEED LIMA'S ALWAYS HYPERACTIVE
RUMOR MILL TO CREATE AN ATMOSPHERE OF SUSPICION GENERALIZED
EVEN AMONG LEADING GOVERNMENT OFFICIALS OUTSIDE THE IMMEDIATE
INNER CIRCLE. GENRAL GRAHAMS PRESENTATION TO THE PLANNING
GROUP WAS ILLUSTRATIVE OF ONE DANGEROUS CONSEQUENCE, EVEN
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AMONG THE INNERMOST CIRCLE. IN RELATING THE CHIEF CHARACTER-
ISTICS OF THE PERUVIAN REVOLUTION, THE "REJECTION OF VIOLENCE"
WAS AMENDED FOR THE FIRST TIME N THE GIVE EXPOSURES
EINAUDI HAS HAD TO GRAHAMS PRESENTATION, TO READ "THE REJECTION
OF VIOLENCE AS A SYSTEM". THIS CONDITIONAL CLAUSE, WHICH
APPEARED UNDERSCORED ON THE SLIDE WITH WHICH GRAHAM PRESENTED
HIS LECTURE, CAN ONLY BE READ AS AN EXPLICIT WARNING THAT
THE GOVERNMENT WILL PITILESSLY REPRESS ITS OPPONENTS.

10. THE FUTURE. CURRENT TENSIONS SEEM UNLIKELY TO ABATE UNTIL
THE DENOUEMENT OF THE RETIREMENT PROCESS WITH THE INSTALLATION
OF A NEW GOVERNING TEAM. BY FEBRUARY A CLEARER ASSESSMENT
SHOULD BE POSSIBLE. TWO CONCLUSIONS, CAN BE DRAWN FORM THE ABOVE
ANALYSIS: FIRST, THAT IN THE ABSENCE OF A CIVILIAN BASE AND
DESPITE APRA'S HOPES, THE GOVERNMENT WILL CONTINUE TO BE
MILITARY FOR THE FORESEEABLE FUTURE; SECOND, THOUGH TENSION
MAY ABATE AFTER FEBRUARY, CONFLICT OVER PERSONAL POWER AND THE
DIRECTION OF THE REVOLUTION WILL CONTINUE AND MAY SERIOUSLY
DEBILITATE THE GOVERNMENTS CAPABILITY TO INSPIRE CONFIDENCE AND
FOLLOW COHERENT POLICIES, THEREBY BRINGING THE REVOLUTION,
IN FACT IF NOT IN THEORY, MORE INTO LINE WITH A PRAGMATIC
DICTATORSHIP OF THE NATIONALIST CENTER.
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